



# STATUS OF HUMAN RESOURCE CAPITAL IN SMALL SCALE INDUSTRY IN MADHYA PRADESH WITH SPECIAL REFERENCE TO JABALPUR INDUSTRIAL AREA

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## I. What is Human Resource ....!

Any organization, anywhere in the world, irrespective of its size, nature, type or industry it is related to, exists because of the most vital resource "Human Resource". It has been wonderful fields of study particularly post the Industrial Revolution 1760. Dramatically things have changed for the manpower engaged & employed in both product & services industries across the globe. The promoters, entrepreneurs, investors, intellectuals, consultancies, manufacturers, marketers, customers, buyers or consumers all belong to one common factor i.e. being a "Human resource" as it is. However given the phenomena of employer & employee as two independent, interactive forces, the work force constitutes a different entity. It is, therefore, no wonder that many thinkers & highly acclaimed authors have propagated, penned & popularized number of theories in the field of human resource management.

We can enumerate a few leading author's famous quotes about human resource management to begin our discussion on this lively topic of research article.

**Human:** refers to the skilled & unskilled workforce in the organisation.

**Resource:** refers to limited availability or scarceness.

**Management:** refers how to optimize and make best use of such limited and a scarce resource so as to meet the ordination goals and objectives.

**Edwin Flippo defines-** HRM as "planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved."

**The National Institute of Personal Management (NIPM) of India** has defined human resources – personal management as "that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best contribution to its success"

**While Miller (1987) suggests that HRM relates to:**

".....those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage"

**James A.F. Stoner** covers all the important facts of management - "Management is the process of planning, organizing, leading and controlling the efforts of organization members and of using all other organizational resources to achieve stated organizational goals".

The function which distinguishes the manager above all others is his educational one. The one contribution he is uniquely expected to make is to give others vision and ability to perform. It is vision and moral responsibility that, in the last analysis, define the manager...

So in a nut shell we can say that "Nothing can function without Human Resource function". However due to excessive weightage given to economics over human resource has caused lot of disturbance & turbulence to the condition of human resource across industries throughout the world.

## II. Methodology

Proposed research article has been conducted on secondary data collected from various newspapers, journals, website, government documents, books and research papers etc. The author has done a descriptive research to develop an understanding for human resource capital and its practice implementation in Small Scale Industry in Madhya Pradesh with Special Reference to Jabalpur Industrial Area.

## III. Human Resource as Capital?

Capital is money invested in any form & size by the investors / promoters for starting & running any given business activity. In fact no human activity can happen without any relevance & leverage of money/ capital in the form of monetary reward directly or indirectly. This means human labor of any sort can be translated into monetary value including time & proportionate wage paid. This probably can be understood with the example of consultancy services or pure services where something purely intangible is offered by the services provider at certain mutually agreed fees/ charges with the customers/ clients. Suppose an advocate charges Rs. 1500 for first 2 hours of consultancy discussion with the client. How we can justify the labor & its proportionate cost of delivering purely soft value to the client. Here we must note that the client is also spending equal amount of time for obtaining some valuable advice which may not result in actual value generation for him at a future point of time, then how can we justify the value of Human Resource Capital involved/ engage in such a process?

Let us take a look at another example of small Scale Industrial Unit manufacturing wax candles. The entrepreneur has invested sizeable amount in setting up the plant & machines & also has spend 3 years of his life in doing so. Now he has employed 20 workers to produce wax candles on the machines installed in the unit. He also has some clerical staff & class 4 level support staff. All of his employees are on daily wages system & are paid prorated bases in proportion to number of finished packets of candles. As a smart entrepreneur he has all the accounting calculation at finger tips & precisely knows how he can earn the targeted return on investment.

Here can we guess the value of human resource capital? really not. But it is actually a bitter truth that we do not consider human resource as real capital & believe in calculating return on investment in monetary terms alone. Typically developing countries in Asean & SAARC this can be easily observed how human resource capital is actually used as underpaid labour force by completely neglecting other aspects of human resource development for progressive standard of living as an outcome of employment generated by small scale industrial units. It is actually dilemma whether human resource can be treated as valuable as monetary capital or not. This puzzle might have been uncertain to some extent in advanced countries but that too only in IT sector. This brings us to the next part of our discussion in this research articles.

## IV. Cost of Human Resource Capital

Now with the above discussion in mind we need to think about the actual cost of human resource capital & if the contribution of each & every employee is recognized or not in any given organization. As it is a well known fact all the employees in the organized and unorganized sector are always unhappy with the management on the pretext of low salaries, inadequate facilities, low monetary rewards etc. here it can be noted that trade union, labour union & workers associations etc came into existence to fight for the cause of employees particularly for payment of proper wages/ salaries. Often we get the news about workers sticks, bank employees sticks & union calling for "bandh" & such activities demanding higher salaries or revision of wages etc. here is also remarkable to observe that most of the sticks go slow or bandh are done in almost all the industries/ sectors except the IT sector where the salaries are probably more than expected by the staff members. A golden question to be asked here is that –

Why both government & non government employee do always demands salary hike?

We know pay commission being introduced periodically & know scale ever satisfies the working population. Does that mean we do not have proper wages for officers, managers, unit heads & class 2, 3, 4 employees in all the sectors?

We can conclude the discussion just by saying that the salaries paid to any employ in any sector are completely inadequate & people have the right to ask for higher wages/ scale always? Human resource capital surely has a cost & it is expected to contribute to the organizational output & revenue directly or indirectly for sure. Here once again we need to look at the facts & figures to justify the cost of human resource capital & need to think whether it is worth of it or not. I

think this phenomenon is quite complicated & should be studied by way of systematic exploratory research by the scholars. Here as an author I wish to leave this to the academicians & employers to ponder upon for arising at an amicable answer to the questions raised in above paragraph.

#### V. Deployment of human resource capital in SSI units at a glance

Now let us have a look at the present scenario of SSI units in Jabalpur district

#### Details of Existing Micro & Small Enterprises and Artisan Units in the District

NIC CODE NO.	Type of industry	Nu. of Units	Investment (Lakhs Rs)	Employment
20	Agro based	112	98.65	345
22	Soda water	3	687	196
23	Cotton textile	5	55.65	36
24.	Woolen, silk & artificial Thread based clothes.	0	0	0
25.	Jute & jute based	0	0	0
26.	Ready-made garments & embroidery	257	211.37	1436
27.	Wood/wooden based furniture	108	92.46	485
28.	Paper & Paper products	56	681.05	416
29.	Leather based	26	23.86	84
31.	Chemical/Chemical based	81	783.05	525
30.	Rubber, Plastic & petro based	43	363.87	317
32.	Mineral based	187	1342.85	1320
33.	Metal based (Steel Fab.)	212	1943.57	1887
35.	Engineering units	37	158.45	123
36.	Electrical machinery and transport equipment	23	618	118
97.	Repairing & servicing	227	609.65	437
01.	Others	810	1248.74	1387

Source:- DTIC, Jabalpur

#### Existing Clusters of Micro & Small Enterprise

##### Detail Of Major Clusters

Name of cluster: Powerloom Cluster:

1	Principal Products Manufactured in the Cluster	Saree, Bedsheets, Towel, Dari
2	Name of the SPV	Jabalpur Powerloom Cloth Manufacturing Association
3	No. of functional units in the clusters	104 Nos
4	Turnover of the Clusters	500.00 Lacs
5	Value of Exports from the Clusters	Nil
6	Employment in Cluster	1500-2000 Direct/ Indirect
7	Average investment in plant & Machinery	4200.00 Lacs
8	Major Issues / requirement	Labour, Rawmaterial depot, Process House
9	Presence of capable institutions	DTIC, AKVN, Powerloom service centre
10	Thrust Areas	Gohalpur, Thakkar Gram
11	Problems & constraints	Lack of finance, Higher cost of raw materials

Present Status of Cluster: - Diagnostic Study has been done, soft skill training still continuing

Source:- DTIC, JABALPUR

As the above data reveals the total number of workers/ employees is large engaged in different activities in the SSI units. There is various of trade union functioning at present the exact data of temporary, casual & adhoc employees is not disclosed by the entrepreneur due to legal hassles. Without going into further details we can observe that the employers deliver deliberately engage casual / temporary workers to avoid payment of wages/ salaries as per government laws & provisions thereof. Due to certain loopholes in the enforcement system the employers skip their responsibilities towards manpower employed by them.

#### VI. Conclusion

To sum up we can say that human resource management in SSI is certainly not

consider as "Capital" but only as a resource for carrying out different activities skilled or unskilled, literate or illiterate, casual or regular all employees in any given organization/ sector, in certainly have one or other grievance related to payment of wages/ salaries which is not a healthy sign at all for workers development & enrichment of human resource capital.

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